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OMB Number:	3235-0123
Expires:	February 28, 2010
Estimated average burden hours per response.....	12.00

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Washington, DC
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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-036730

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: ING Investment Management Services LLC OFFICIAL USE ONLY
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.) FIRM I.D. NO.

230 Park Avenue

(No. and Street)

New York

(City)

NY

(State)

1069

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Robert Presser 212 309 1705
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ernst & Young LLP

(Name - if individual, state last, first, middle name)

200 Clarendon Street

(Address)

Boston

(City)

MA

(State)

02116

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

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FINANCIAL**

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Robert Presser, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ING Investment Management Services LLC, as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

MARIE E. PICARD
Notary Public, State of New York
No. 02PI6120977
Qualified in New York County
Commission Expires January 3, 2009

Marie E. Picard
Notary Public

Bob
Signature
Vice President & Controller
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

ING Investment Management Services LLC
Year Ended December 31, 2007
With Report and Supplementary Report of Independent
Registered Public Accounting Firm

ING Investment Management Services LLC

Financial Statements and Supplemental Information

Year Ended December 31, 2007

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Report of Independent Registered Public Accounting Firm

Member and Board of Directors
ING Investment Management Services LLC

We have audited the accompanying statement of financial condition of ING Investment Management Services LLC (the Company), a wholly owned subsidiary of ING Investment Management Alternative Assets LLC, which is an indirect subsidiary of ING Groep N.V., as of December 31, 2007, and the related statements of income, changes in member's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ING Investment Management Services LLC as of December 31, 2007, the results of its operations and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ernst & Young LLP

February 25, 2008

ING Investment Management Services LLC

Statement of Financial Condition

December 31, 2007

Assets

Securities owned, at market value	\$ 3,320,578
Receivable from broker-dealer	787,850
Total assets	<u>\$ 4,108,428</u>

Liabilities and member's equity

Liabilities:

Payable to affiliate	\$ 572,917
Accrued expenses and other liabilities	321,372
Payable to broker-dealer	<u>10,763</u>

Total liabilities	<u>905,052</u>
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Member's equity	<u>3,203,376</u>
Total liabilities and member's equity	<u>\$ 4,108,428</u>

The accompanying notes are an integral part of these financial statements.

ING Investment Management Services LLC

Statement of Income

Year Ended December 31, 2007

Revenue:	
Interest	\$ 348,223
Trading gains, net	101,996
Commissions	2,577
Other income	<u>316,462</u>
Total revenue	769,258
Expenses:	
Employee compensation and benefits	391,242
Clearance, floor brokerage and dues	66,278
Professional fees	54,899
Occupancy and equipment rental	33,342
Technology	31,493
Communications	2,322
Other	<u>6,458</u>
Total expenses	<u>586,034</u>
Income before payment to affiliate pursuant to tax sharing arrangement	183,224
Payment to affiliate pursuant to tax sharing arrangement	<u>(71,457)</u>
Net income	<u>\$ 111,767</u>

The accompanying notes are an integral part of these financial statements.

ING Investment Management Services LLC

Statement of Changes in Member's Equity

Year Ended December 31, 2007

Member's equity balance, beginning of year	\$ 3,091,609
Net income	<u>111,767</u>
Member's equity balance, at end of year	<u>\$ 3,203,376</u>

The accompanying notes are an integral part of these financial statements.

ING Investment Management Services LLC

Statement of Cash Flows

Year Ended December 31, 2007

Operating activities

Net income	\$ 111,767
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in operating assets:	
Securities owned, at fair value	(163,680)
Net receivable from broker-dealers	(440,264)
Increase (decrease) in operating liabilities:	
Payable to affiliate	245,264
Accrued expenses and other liabilities	246,466
Net payable to broker-dealers	447
Net cash provided by operating activities	—
Cash at beginning of year	—
Cash at end of year	\$ —

The accompanying notes are an integral part of these financial statements.

ING Investment Management Services LLC

Notes to Financial Statements

December 31, 2007

1. Organization and Nature of Business

ING Investment Management Services LLC (the Company) is a wholly owned subsidiary of ING Investment Management Alternative Assets LLC (the Parent). The Parent is a wholly owned subsidiary of ING Investment Management LLC (Holdings), an indirect subsidiary of ING Groep N.V. (Ultimate Parent).

The Company is a broker-dealer registered with the Securities and Exchange Commission (SEC), under Section 15(b) of the Securities Exchange Act of 1934, and is a member of the Financial Industry Regulatory Authority (FINRA), formerly the National Association of Securities Dealers, Inc. (NASD). The Company primarily acts as an introducing broker-dealer for its Parent and affiliates.

The Company, in connection with its activities as a broker-dealer, does not hold funds or securities for customers. Accordingly, the Company is exempt from SEC Rule 15c3-3 pursuant to provision k(2)(ii) of such rule.

2. Significant Accounting Policies

Use of Estimates

The Company prepares its financial statements in accordance with U.S. generally accepted accounting principles. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

The accompanying financial statements have been prepared from records maintained by the Company, and may not necessarily be indicative of the financial condition and results of operations which would have existed if the Company had been operated as an unaffiliated entity.

Securities Transactions

Securities owned, at market value, at December 31, 2007 consist of a money market mutual fund investment. This investment is considered to be available for sale.

Receivable from and payable to broker-dealer consist of commissions and amounts for securities transactions that have not yet reached their contractual settlement date. Transactions in securities, commission revenues and related clearance and floor brokerage are recorded on a trade-date basis.

ING Investment Management Services LLC

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Realized gains and losses are recorded in trading gains and losses, net in the accompanying statement of income.

Interest income is recorded under the accrual method. In the normal course of business, a nonaffiliated broker-dealer pays the Company a percentage of the interest earned on its customer balances. During the year ended December 31, 2007, the Company received \$348,223 from the nonaffiliated broker-dealer, which is included in interest revenues in the accompanying statement of income.

Fair Value of Financial Instruments

Securities owned are valued at quoted market prices. Receivables are carried at fair value, or at contract amounts which approximate fair value, due to the short period to maturity and repricing characteristics. Similarly, liabilities are carried at amounts approximating fair value.

3. Related Party Transactions

The Parent charges the Company for actual expenses paid on its behalf and its pro-rata share of certain general overhead expenses incurred by the Parent based on an approximate methodology for each type of expense. For the year ended December 31, 2007, costs allocated to the Company were \$340,806. Such costs are primarily included in employee compensation and benefits, occupancy and equipment rental and other expenses in the accompanying statement of income. Company and Parent management both believe the allocation method used is reasonable and appropriate in the circumstances.

Payable to affiliates is primarily composed of the net intercompany receivables and payables with the Parent. The receivable portion of the balance at December 31, 2007 consists of accumulated cash balances earned from brokerage services (commissions and interest) which are held by the Parent on behalf of the Company. The payables portion of the balance at December 31, 2007 consists of certain expenses and taxes allocated to the Company and paid by the Parent on behalf of the Company.

The Company participates in a solicitation arrangement with a related third party, whereby the Company earns a fee in exchange for the successful sale of certain related third party products. For the year ended December 31, 2007, such fees, included as part of other income, totaled \$244,668.

ING Investment Management Services LLC

Notes to Financial Statements (continued)

4. Taxes

The Company is a single member limited liability company for federal, state, and local corporate income tax purposes and, accordingly, was not subject to federal, state and local corporate income taxes. However, the Company's Parent is subject to a tax sharing arrangement with Holdings, whereby the Parent reimburses Holdings on a current basis for the total tax expense recognized by Holdings with respect to the Company's income. The Parent allocates tax expense to the Company as if the Company filed a separate tax return and the Company reimburses the Parent for the expense recognized. There are no temporary differences which would give rise to deferred tax expense. Tax expense is allocated using expected and statutory combined rate of 39% for federal, state and local purposes. This allocation, which totaled \$71,457 for the year ended December 31, 2007 is included in the accompanying statement of income.

5. Employee Benefit Plans

The Parent provides certain employee benefits and benefit plans for its active qualified employees, as specified by the various plans. Expenses are allocated to the Company for retirement, health care and life insurance benefits and are included in compensation and benefits expense in the statement of income.

6. Regulatory Requirements

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1 (the Rule). The Company has elected to use the Rule's alternative method which requires that the Company maintain net capital, as defined, equal to the greater of \$250,000 or 2% of aggregate debit items arising from customer transactions, as defined.

At December 31, 2007, the Company had net capital of approximately \$3,136,964 which was \$2,886,964 in excess of the required net capital of \$250,000.

7. Concentrations of Credit Risk

Credit risk is the amount of accounting loss the Company would incur if a counterparty failed to perform its obligations under contractual terms. Substantially all of the clearing and depository operations for the Company are performed by its clearing broker pursuant to a clearance agreement. The clearing broker reviews as considered necessary, the credit standing of the counterparties with which the Company conducts business. The Company's exposure to credit risk associated with the nonperformance by counterparties in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile securities markets, credit markets and regulatory changes.

ING Investment Management Services LLC

Notes to Financial Statements (continued)

8. Recent Accounting Pronouncements

In July 2006, to improve comparability in the reporting of income tax assets and liabilities in the absence of guidance in existing income tax accounting standards, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109*. Generally, this Interpretation clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with existing income tax accounting standards, and prescribes certain thresholds and attributes for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Interpretation was adopted effective January 1, 2007, and it did not have a material impact on the Company's financial condition or results of operations.

In September 2006, Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157), was issued and is effective for fiscal years beginning after November 15, 2007. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Management is currently evaluating the impact the adoption of SFAS 157 will have on the Company's financial statement disclosures.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, (FAS 159), which provides companies with an option to report selected financial assets and liabilities at fair value. The standard's objective is to reduce both the complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. FAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. This statement is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007. The Company does not intend to adopt the provision of this statement.

Supplemental Information

ING Investment Management Services LLC

Computation of Net Capital and Aggregate Indebtedness
Pursuant to Rule 15c3-1 of the Securities and Exchange Commission

December 31, 2007

Member's equity	\$ 3,203,376
Deductions and/or charges:	
Non-allowable assets from Statement of Financial Condition	-
Haircut on securities	<u>66,412</u>
Net capital	3,136,964
Computation of alternative net capital requirement:	
2% of aggregate debt items (or \$250,000, if greater) as shown in the formula for reserve requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital contribution	<u>250,000</u>
Net capital requirement	<u>250,000</u>
Excess net capital	<u>\$ 2,886,964</u>

There were no material differences between the computation of net capital under Rule 15c3-1 included in this audited report and the computation included in the Company's corresponding unaudited Form X-17A-5 Part IIA Focus filing as of December 31, 2007, as filed on January 25, 2008.

ING Investment Management Services LLC

Statement Regarding SEC Rule 15c3-3

December 31, 2007

Exemptive Provision

The Company claims exemption from the requirements of Rule 15c3-3 as of December 31, 2007 under the Securities and Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the Rule.

Supplementary Report

Supplementary Report of Independent Registered Public Accounting Firm on Internal Control Required by SEC Rule 17a-5

Member and Board of Directors
ING Investment Management Services LLC

In planning and performing our audit of the financial statements and supplemental information of ING Investment Management Services LLC (the Company), as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States, we considered its internal control over financial reporting (internal control), as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including consideration of controls activities for safeguarding securities. The study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2007, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

February 25, 2008

END